

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF COPPERFIELD)
DISPOSAL SYSTEM, INC., FOR AN)
ORDER PURSUANT TO CHAPTER 278)
OF THE KENTUCKY REVISED STATUTES)
FOR A CERTIFICATE OF PUBLIC CON-)
VENIENCE AND NECESSITY AND FOR) CASE NO. 8889
AN ORDER APPROVING UNIFORM RATES)
FOR A WASTE WATER TREATMENT)
SYSTEM TO SERVE THE RESIDENTS OF)
COPPERFIELD SUBDIVISION,)
JEFFERSON COUNTY, KENTUCKY)

O R D E R

On January 26, 1984, the Commission issued an Order in the above-styled matter granting Copperfield Disposal System, Inc., ("Copperfield") a certificate of public convenience and necessity to proceed with the construction of a sewage treatment and collection system, and approval of initial rates. In approving the initial rate, the Commission found that the proposed initial rate was promotional in nature and was inadequate to produce the revenue required to meet Copperfield's operating expenses and provide for sufficient capital growth. The Commission therefore required Copperfield to give notice to property owners and purchasers of lots within Copperfield Subdivision concerning possible substantial increases in the rate for sewage disposal services in the future.

On February 14, 1984, Copperfield filed its application for rehearing requesting that the notice requirement for the promotional rate be eliminated and that all findings regarding the promotional nature of the rate be eliminated from the Order as they are not applicable in this case. On March 5, 1984, the Commission entered an Order granting Copperfield's request for rehearing. Therein, the Commission stated that it would review the policy on which the notice requirement is based and would also review the financial status of Copperfield to determine if Copperfield could be relieved of the notice provision.

DISCUSSION

The Commission in its Order Granting Rehearing ordered each of the owners of Copperfield to individually file a financial worth statement and a Third Party Agreement stating that the owners shall continue to subsidize the capital costs and monthly operating expenses of the treatment plant until all lots in the development are sold, and further provide a statement that all future rate adjustments will be based on a fully-loaded treatment plant. On May 21, 1984, Copperfield filed a proposed Third Party Agreement and other financial information in detail sufficient to verify the financial viability of the owners. The Commission is of the opinion that the Third Party Agreement is acceptable because it provides that future rate increases shall be based upon a fully loaded plant regardless of the number of customers at such times as applications for rate increases are filed. Therefore, the Commission will grant Copperfield's request that it be relieved of the notice provision and that the paragraphs and

findings regarding the promotional nature of the rate be eliminated from the Order of January 26, 1984, at such time as the Third Party Agreement is executed.

FINDINGS AND ORDERS

After examining the evidence of record and being advised, the Commission is of the opinion and finds that:

1. Copperfield's proposed Third Party Agreement should be accepted when fully executed and filed with the Commission.

2. Copperfield's proposal on rehearing to remove all language and requirements concerning promotional rates should be accepted and the Commission's Order should be modified accordingly.

3. All provisions of the Commission's Order of January 26, 1984, not specifically amended herein should remain in full force and effect.

IT IS THEREFORE ORDERED that Copperfield's proposed Third Party Agreement specifying that no future rate increases shall be determined on costs less than those at full capacity is hereby accepted when fully executed and filed with the Commission.

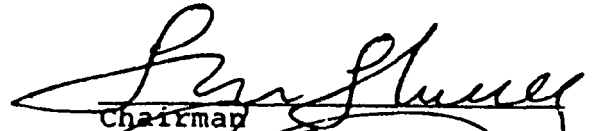
IT IS FURTHER ORDERED that the Commission's Order of January 26, 1984, is hereby amended to remove all language and requirements concerning promotional rates.

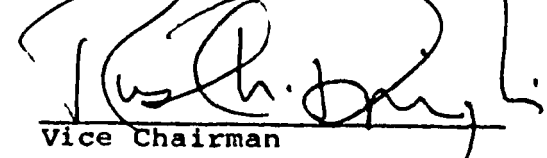
IT IS FURTHER ORDERED that all provisions of the Commission's Order in this proceeding issued January 26, 1984, not specifically amended herein shall remain in full force and effect.


This Order shall become effective upon receipt of executed written agreements.

Done at Frankfort, Kentucky, this 26th day of June, 1984.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary